

July 11, 1996

TO: J. W. Best  
P. J. Cundari  
R. M. Sanders  
D. L. Wilmesher

FROM: J. S. Farmer

RE: Bundling Calculation Update

Gentlemen,

Attached is an updated bundling calculation worksheet for use in determining Forsyth's Private Label True Value to your retail/wholesale accounts. This update incorporates the changes to our off-invoice, alliance accrual and share of category programs effective July 1, 1996. Please disseminate as appropriate.

Should you have questions, please feel free to give me a call.

Sincerely,



J. S. Farmer

JSF/kw

Attachment

cc: G. C. Pennell  
J. V. Maguire  
J. J. Ellegate  
D. P. Fitzgerald  
K. W. Noxon  
S. R. Qualkinbush  
R. L. Fiori  
J. A. Geeting  
D. E. Owens  
D. J. Gesmundo  
J. M. Piscitelli  
R. N. Young

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### Bundling Calculation Form

Account: \_\_\_\_\_

Competitive Brand: \_\_\_\_\_ Competitive Dead Net: \$ \_\_\_\_\_

List	\$9.19
Terms	\$ .30
EFT	\$ .03
Off-Invoice	\$2.30
PL Alliance Accrual	\$ .30
PL Share of Category ①	_____
Net Price	\$ _____

### Bundling Options

DORAL Share of Category ②

Merch. Accrual on PL \$ .25

Merch. Accrual on FP/BS ③

PL Carton Value to RDA's ④

PL Wholesale Partners Rate

Wholesale Partners Rate on  
FP/BS Because of PL ⑤ \_\_\_\_\_

Dead Net Value w/Bundling \$ \_\_\_\_\_

Compet. Dead Net: \$ \_\_\_\_\_  
Shortage: \$ \_\_\_\_\_

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① **PL SOC**

Retail Contract: 35-49% = \$ 0  
50-74% = \$.10  
+75% = \$.25

Wholesale Contract: \$.01 per share point starting at 26% SOS  
Max 50% = \$.25

② **DORAL SOC (Retail Accounts Only)**

Retail Contract: 50-74% = \$.35  
+75% = \$.50

Wholesale Contract: Does not apply

If retail contracted call has an overall RJR Share of Savings % of 50% or higher, calculate payout per carton x DORAL cartons sold = total DORAL SOC payout. Divide total payout by PL carton sold to Input DORAL SOC \$ amount value to PL pricing

③ **Merch. Accrual on FP/BS (Retail Accounts Only)**

Based on \$.15 per carton difference between Level III (advantaged) -vs- Level I (disadvantaged). Using accrual grids, determine difference between Level III in higher grid -vs- Level I in lower volume grid, subtract value of PL (at \$.25/ctn.) from Level III to get net difference. Divide difference by PL volume to determine FP/BS Merch. Accrual per carton \$ amount value per PL carton sold.

④ **PL Carton Value to RDA's (Retail Only)**

Determine grid change difference between payment with PL -vs- payment without. Divide difference by PL carton sales to obtain RDA per carton value attributable to PL.

⑤ If wholesale account received \$.08 per carton payout on FP/BS due to making SOS goal and caused by PL performance, multiply \$.08 x total FP/BS cartons sold then divide by PL carton sales to determine per carton \$ value associated with PL sales.

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